R. Michael Turnnspeed, Director

ALLEN BIAGGI. Administrator

(775) 687-4670
TDD 687-4678

Administration
Water Pollution Control
Facsimile 687-5856
Mining Regulations & Reclamation
Facsimile 684-5259

State of Nevada
KENNY C. GUINN
Governor

Waste Management
Corrective Actions
Federal Facilities

Air Quality
Water Quality Planning

Facsimile 687-6396

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF ENVIRONMENTAL PROTECTION

333 W. Nye Lane, Room 138
Carson City, Nevada 89706

April 3, 2003

NOTICE OF DECISION

Water Pollution Control
Permit Number Nev2002107
For The Gold Wedge Project

The Nevada Division of Environmental Protection has decided to issue Water Pollution Control Permit NEV2002107 to Manhattan Mining Company. This permit authorizes the construction, operation, and closure of the approved facilities. The Division has been provided with sufficient information, in accordance with NAC 445A.350 through NAC 445A.447, to assure the Division that the groundwater quality will not be degraded by this operation and that public safety and health will be protected.

This permit will become effective April 18, 2003. The final determination of the Administrator may be appealed to the State Environmental Commission pursuant to Nevada Revised Statute (NRS) 445A.605 and Nevada Administrative Code (NAC) 445A.407. All requests for appeals must be filed by 5pm, April 14, 2003 on Form 3 with the State Environmental Commission, 333 West Nye Lane, Capitol Complex, Carson City, Nevada 89706. For more information, contact Bob Carlson at (775) 687-9401, toll free in Nevada at (800) 992-0900, extension 4670, or visit the Bureau's website at http://ndep.nv.gov/bmrr/bmrr01.htm.

Responses to comments received during the public notice period a presented below.

Note: This notice is for electronic distribution. The original notice is on file at the address shown on the letterhead.

Responses to Comments Received During the Public Notice Period on the Proposed Gold Wedge Project

Comments from Christie Whiteside (Great Basin Mine Watch) were e-mailed to NDEP on March 24, 2003 at 5:03pm and are reiterated below with respective NDEP responses:

GBMW Comment: The fluid management system should provide containment of a capacity large enough to handle the meteoric and runoff water from the 100-year, 24-hour storm event. The area in which this mine will be located is in an area that commonly receives thunderstorms during the summer. The current design capacity of 25-year, 24-hour containment may not be sufficient. Additionally, all diversions should be designed for the larger storm-event capacity.

NDEP Response: Pursuant to Nevada Administrative Code (NAC) 445A.433(d), the primary fluid management system must be designed to be able to remain fully functional and fully contain all process fluids including all accumulations resulting from a 24-hour storm event with a 25-year recurrence interval, not the 100-year, 24-hour storm event. However, all process components must be designed to withstand the run-off from a 24-hour storm event with a 100-year recurrence interval. The facility has been designed to comply with these regulatory criteria.

GBMW Comment: Water to be infiltrated into the infiltration trenches should be sampled quarterly and a Profile I test should be conducted. Additionally, there should be monitoring wells located near the trenches to determine whether the discharged groundwater or materials leached by the infiltrating groundwater could be degrading the underlying groundwater.

NDEP Response: The Water Pollution Control Permit currently requires that the distribution box water that reports to the infiltration trench be sampled and analyzed for Profile II (including TPH) constituents on a quarterly frequency.

A monitoring well is located adjacent to (i.e. near) the infiltration trench. This well has been installed to establish groundwater quality prior to construction and operation of components and to monitor the quality of the groundwater during operations.

GBMW Comment: Although the water is of generally good quality, there are some concerns regarding exceedances for arsenic in MWMP tests of rock samples from cutting from MW-1. The fact that waste rock will be left in abandoned drifts underground does present some concerns for water quality. It is possible that arsenic could leach into the recovering groundwater when mining ceases. For this reason, there should be monitoring wells situated to determine whether degradation of groundwater is occurring. The wells would be abandoned after it becomes clear that arsenic is not leaching at rates that would degrade waters of the state.

NDEP Response: A monitoring well has been located in the southwest corner of the property that should detect any affects from wasterock used to backfill abandoned drifts. The well will be routinely sampled and analyzed for Profile I constituents on a quarterly basis and at least five years following closure.

GBMW Comment: It is recommended that a formal groundwater survey be conducted. It appears from the fact sheet, and from the Plan of Operations for this mine, that there is relatively little definitive knowledge of the groundwater hydrology of the area. The location of several wells of various uses, including public supply wells located in the vicinity, warrant additional and more complete knowledge of the potential of the dewatering and infiltration of this mine to have an effect on water resources in the area.

NDEP Response: A formal groundwater survey is not required pursuant to NAC 445A.414. However, this information will be required prior to any proposed process changes. During the physical separation process, the information (i.e. ongoing monitoring) obtained in accordance with the permit conditions will provide a thorough knowledge of the potential resulting from dewatering, infiltration and operations.

GBMW Comment: Additionally, in the MWMP analysis of composite sample MWW-01 280-295, presented in the Plan of Operations, Volume I, Water Pollution Control Permit Application, there appears to be WAD cyanide, above the detection limit. Can the division determine why there would be cyanide in a sample of rock taken from monitoring well drill cuttings, or is this an artifact of some sort?

NDEP Response: As indicated, the concentration of WAD cyanide from the drill cuttings composite was reported as being 0.022 mg/L and the reported detection limit is 0.010 mg/L. Re-analysis (on 3/31/03) of the drill cuttings composite resulted in < 0.010 mg/L WAD cynanide. Additionally, the water sample taken from the monitoring well (GW-01) where the drill cuttings composite was taken was reported to have < 0.010 mg/L WAD cyanide. The analytical lab has reported that the first drill cutting composite result was due to OIA instrument problems although QC passed.